TIPS FOR REVISING CHARTS OF ACCOUNT

1) For each salary expenditure entry in a program/function, there should be a corresponding benefit expenditure entry. For example:

   ## Correct entry
   100-1100-1120-1010-04   Teacher Salary
   100-1100-1120-2010-04   Teacher Benefits
   Teacher salary shows corresponding code for teacher benefits

   ## Incorrect entry
   100-0000-2400-1040-04   Principal Salary
   100-0000-2400-1180-04   Clerical Salary
   100-0000-2400-6000-04   Supplies
   Where are the benefits for these two positions?

   ## Incorrect entry
   100-0000-2300-2080-90   Regular Employee Benefits
   100-0000-2300-5800-90   Travel
   100-0000-2300-8000-90   Membership Dues
   Where is the regular employee salary to match the benefits?

2) Some individual codes published in the Revised Accounting Handbook should have no transactions posted to them as they are not descriptive enough to be used in calculation of subsidy or for reporting purposes. These are:

Program Codes:	2000
	4000
	9000
Object Codes:	1000
	1100
Revenue Codes:	1000
	1210
	1321
	1331
	1340
	1390
	1980
	1990
	3120
	3200
	4000
	4500

3) K-2 expenditures are only tracked *if* they are part of the school unit's plan to fulfill targeted fund proposed rule requirements (see Informational Letter 71 on MDOE website for these requirements). Incremental expenditures that meet these requirements, not the entire K-2 instructional program, should be coded using program code 1120. K-2 expenditures that *do not* meet the targeted fund proposed rule requirements should just be coded to program code 1100.

4) Model charts of account for each category show the minimum detail for each code type required by MDOE. If a unit needs more detail, refer to the "Detailed Code Reports" on the MDOE website to select the appropriate code. Codes that are not assigned in the Revised Accounting Handbook will need approval when the Department's new data collection system is implemented before a unit can successfully transmit financial data.

5) Cost center breakdowns for a category are included in the MDOE model charts of account; also, the cost center quick reference chart on the MDOE website can be utilized to determine the correct cost center assignment (is a category to be tracked by school level, grade level or can it be tracked system-wide?). If MDOE has determined a category and its associated transactions to be a school level cost center, there is no flexibility; transactions submitted using other cost center types will be rejected in the new financial data collection system. If MDOE has determined a cost center for a category to be grade level (K-8/9-12), a unit is free to track it at the school level but not at the system-wide level. Any category that MDOE has determined to be a system-wide cost center may be broken down by grade level or school level, if a unit wishes. For example:

Correct entry

100-0000-2120-1010-09	Middle School Guidance Salary
100-0000-2120-2010-09	Middle School Guidance Benefits
100-0000-2120-6000-09	Middle School Guidance Supplies
100-0000-2120-1010-30	High School Guidance Salary
100-0000-2120-2010-30	High School Guidance Benefits

Incorrect entry

100-0000-2120-1010-90
100-0000-2120-2010-90
100-0000-2120-6000-90
Guidance costs may only be coded to school level cost centers

6) Adult Education is tracked by the 6000 program code series in the general fund; see the Adult Education model charts of account to correctly set up these transactions. If a unit wishes to discern Adult Education further, fund code 150 may be used to indicate Adult Education as a subset of the General Fund; the 6000 program code series is used with fund code 150, as is cost center 40.

7) Avoid coding full transactions at the object code level, break them into their relative components. For example, a unit used this string of code to indicate expenditures for MEA testing: 100-1200-1000-5950
   This string of code translates in the handbook as intereducational/interagency expenditures for secondary instruction so it clearly is not capturing the data the unit intended as the wrong codes were selected.

   This transaction needs to be broken down into its components: supplies (object 6100) for MEA testing (function 2240)

8) Many function codes are not used with a program code other than 0000; please see the model chart of accounts for category areas to determine if a program code other than 0000 is needed with a function code. If data is submitted with program codes other than indicated in the model charts, those transactions will be rejected in MDOE's new data collection system

9) Function code 2750 is only to track transportation costs associated with transporting special education students to placements outside of the district. Do not use this code to track other costs associated with special education students such as special equipment or bus aides; these are regular transportation costs and should be recorded under function 2700. DO NOT record special education transportation costs under special education program codes; they will not be considered for subsidy calculation there.